MNI Asia Pac Weekly Macro Wrap

28 November 2025 – By Jon Cavenagh, Jaime Grant, Maxine Koster, Stephen Petrie & Gavin Stacey

JAPAN

- BoJ Board Member Noguchi spoke about the need to get rate hike timing rate, as hiking too early or too late can cause problems (but didn't give any hints around the Dec meeting). We hear from BoJ Governor Ueda this coming Monday. Tokyo CPI was close to expectations, although services CPI remained steady near 1.6%y/y. Jobs data was weaker than expected, but IP growth surprised on the upside.

AUSTRALIA

- Both the new headline and trimmed mean monthly CPI annual inflation measures saw an increase in October from September. Services also rose which is likely to worry the RBA.
- Q3 private capex volumes soared 6.4% q/q, the fastest since Q1 2012, and is setting up the 3 December GDP release for a solid increase at this stage. Inventory data is out 1 December and the net export and public demand contributions on 2 December.

NEW ZEALAND

- The MPC voted 5-1 to cut rates 25bp to 2.25%, as was widely expected. The discussion was between a hold or 25bp of easing with no consideration for another 50bp cut. The updated OCR path showed that if the economy develops as expected then the RBNZ is now on hold but it also signalled an easing bias.
- Q3 retail sales volumes grew at the fastest pace since Q4 2021 and businesses were the most positive since 2014 in the November ANZ business survey.

SHORT TERM RATES

- Interest rate expectations across the $-bloc moved sharply over the past week, with New Zealand (+21bps) and Australia (+14bps) firming notably, while the US and Canada both softened by around 5bps.

CHINA

- Only industrial profits were out this week, which fell y/y after a recent firmer run higher. Official PMIs for Nov print this Sunday. USD/CNH broke to fresh year to date lows, but steadied as the CNY fixing bias turned less supportive for the yuan.

SOUTH KOREA

- The BoK held rates steady as forecast, but onshore rates rose, as the accompanying statement from the central bank removed the explicit easing bias. USD/KRW volatility remains in focus as the authorities try to address FX supply/demand imbalances.

ASIA

- The RBI has left the door open for a Dec rate cut. Stronger Singapore inflation leaves the near term MAS bias on hold.

ASIA EQUITY FLOWS

- Inflow momentum was better as the week progressed, aided by rising Fed easing prospects. Taiwan led the turnaround. This only modestly curbed November monthly outflows though for most markets.

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JAPAN

BOJ: Noguchi -Favours Gradual Hikes As Economy Adjusts To New Price Backdrop

Headlines from BoJ Board Member Noguchi speech have crossed. Noguchi spoke about the need to get rate hike timing rate, as hiking too early or too late can cause problems. He stated that hiking too early risks derailing the wage/price cycle and sustainably hitting the 2% inflation target, while raising rates too slowly will risk destabilizing price and activity trends (presumably as policy rates have to rise rapidly to bring down inflation).

- Noguchi favours a gradual approach to raising rates to help the economy adjust to this new paradigm of modestly positive wage and price growth (compared to the old where such trends were flat). Noguchi stated more time is needed for inflation expectations to be anchored around 2%.
- His comments don't give a hint on timing around rate hikes. Presumably a Dec or Jan hike wouldn't alter the medium term trends much from Noguchi's perspective.
- Note that market pricing has firmed for a Dec move, but is still only just above 50% pricing (or around +13bps). The implied rate for the Jan meeting is just above 0.69%, versus a current effective policy rate just under 0.48% (so getting closer to fully priced).
- Note BoJ Governor Ueda speaks on Monday.

US-JAPAN: Takaichi Speaks With Trump Amid China/Japan Tensions

Japan PM Takaichi has confirmed she has spoken with US President Trump via a telephone call this morning. The call was made at the request of US President Trump. It came after US President Trump and China President Xi spoke on Monday. Japan/China tensions have been elevated in recent weeks in the aftermath of Takaichi's comments in relation to Taiwan.

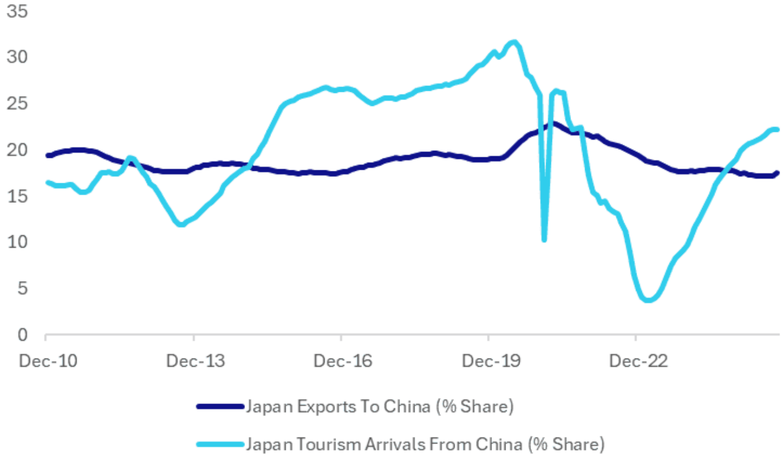
- Takaichi stated that US President Trump briefed her on the phone call between Trump and Xi. Otherwise though, only high level details have emerged from the Takaichi/Trump call so far. Takaichi stating that Trump said she can call on him at anytime and that they are close friends. Takaichi added that they exchanged a wide range of views on the Indo-Pacific situation.
- The Trump-Xi call earlier was positive per Trump comments, with the US President set to visit China in April next year, while trade talks continue (rare earth talks are aimed at finalizing general licensing agreements by the end of this month, per BBG). China President Xi also stated the two sides should keep the positive momentum going, which was generated from the face to face meeting they had in Seoul recently.
- Also via BBG: " The Chinese leader told Trump that the return of Taiwan to China is a key part of the post-World War II international order, according to a Chinese Foreign Ministry statement."

JAPAN: Japan More Economically Exposed To China Than Vice Versa

Japan/China tensions, over recent remarks made by Japan PM Takaichi, showed no signs of de-escalating over the weekend. Economically, Japan has more to lose relative to China, in terms of potential loss of export and tourism related flows.

- Via BBG: " Chinese Foreign Minister Wang Yi says Japanese Prime Minister Sanae Takaichi’s comments on Taiwan crossed a “red line” and China must “resolutely hit back” to safeguard its sovereignty and territorial integrity. While from the Japan side: "A Japanese official called China's claims that Japan's position on a Taiwan crisis has changed "entirely baseless" and called for more dialogue." (also via BBG).
- There were also weekend reports that China had declined to attend a trilateral summit in January, between China, Japan and South Korea, which was due to be held in Japan.
- The chart below plots Japan's exports to China, along with tourism arrivals from China, with both presented as a % share of total. By way of comparison, Japan's exports to the US are around 20% (% of total) and China's to Japan sit at around 5% of China's exports.
- Japan's manufacturing sector relies on imports of critical minerals from China, which the latter has restricted. This action was criticised at the weekend's G20 meeting, while China announced a global project to "promote mutually beneficial cooperation and peaceful use of key minerals" and "safeguard the interest of developing countries" (BBG), which doesn't include Japan.

Fig 1: Japan Export Shares & Tourism Arrivals, % Share From China



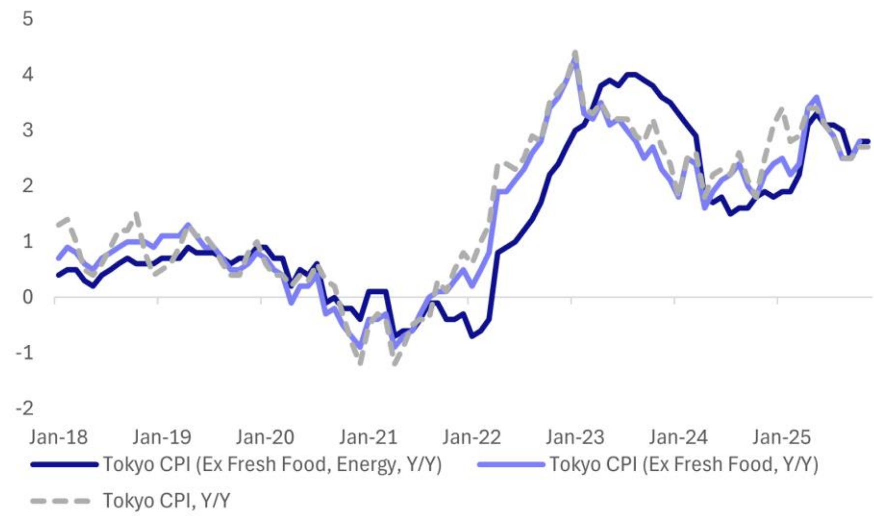
Source: Bloomberg Finance L.P./MNI

JAPAN DATA: Nov Tokyo CPI Close To Forecast, Services Y/Y Steady At 1.56%y/y:

Japan's Nov Tokyo CPI print was fairly close to market expectations. Headline rose 2.7%y/y, in line with the consensus (while the Oct outcome was also revised down to this level, from 2.8%). Ex fresh food and energy printed 2.8%y/y (a touch above the 2.7% forecast), while the ex fresh food, energy measure was 2.8%y/y, in line with the prior and consensus forecast for today. The chart below plots the trend for these metrics in y/y terms. We are off earlier 2025 highs, but remain close to 3%.

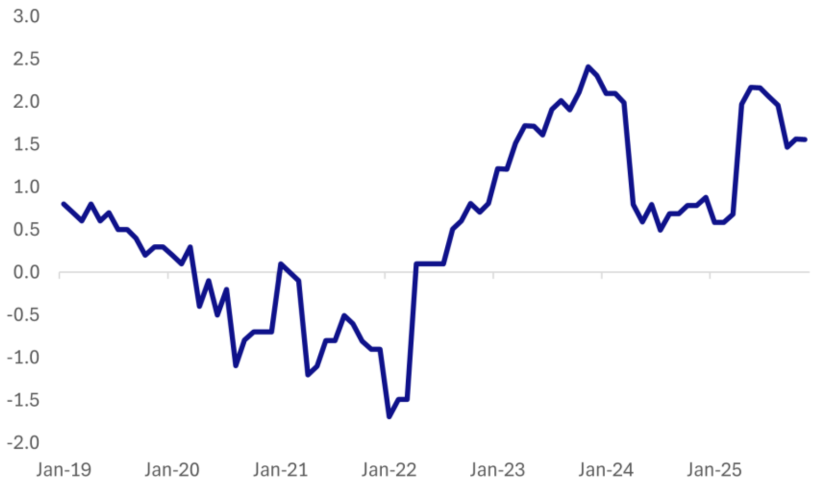
* The m/m outcomes still mostly showed firmness, albeit not as strong as the Oct gain. Services rose 0.2%m/m (after a 0.4% gain in Oct, while goods were up 0.5% (after a 0.9% rise in Oct). Services were little changed in y/y terms though at 1.56% (see the chart below).
* So whilst headline measures remain comfortably above the 2% inflation goal, services is still under this level. Hence today's data may not change much around Dec/Jan hike thinking from a BoJ standpoint. It has time to see if the recent tick up in services m/m momentum continues.

Fig 1: Tokyo CPI Y/Y Trends



Source: Bloomberg Finance L.P/MNI

Fig 2: Tokyo Services CPI Y/Y

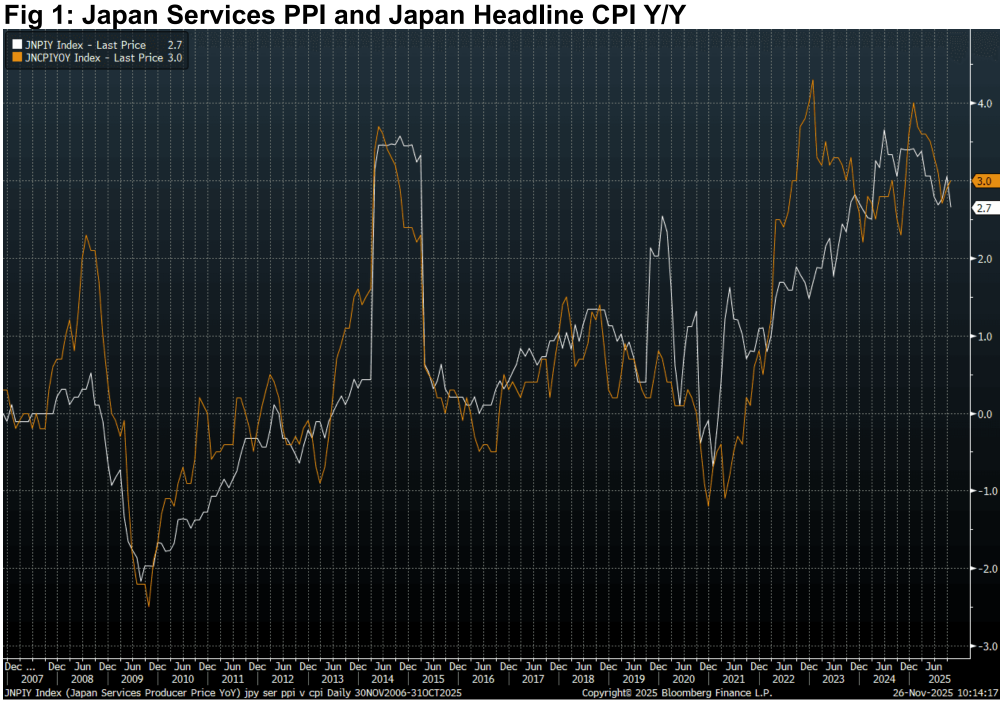


Source: Bloomberg Finance L.P/MNI

JAPAN DATA: Oct Services PPI Y/Y Moderates As Forecast, M/M Gain Accelerates

The Japan Oct Services PPI rose 2.7%y/y, in line with the consensus forecast. This was a step down from the Sep pace of 3.1% (which was revised up from the originally reported 3.0%). The m/m services PPI was still firm at +0.6%m/m, which was the strongest gain since April's 0.8%m/m rise. Base effects from last year were a likely headwind for the y/y print. The chart below plots the PPI services against the Japan headline CPI, both in y/y terms. Whilst the PPI has moderated it's still consistent with CPI pressures near the 2.5-3.0% region. Note on Friday we get the Tokyo Nov CPI outcome.

Fig 1: Japan Services PPI and Japan Headline CPI Y/Y



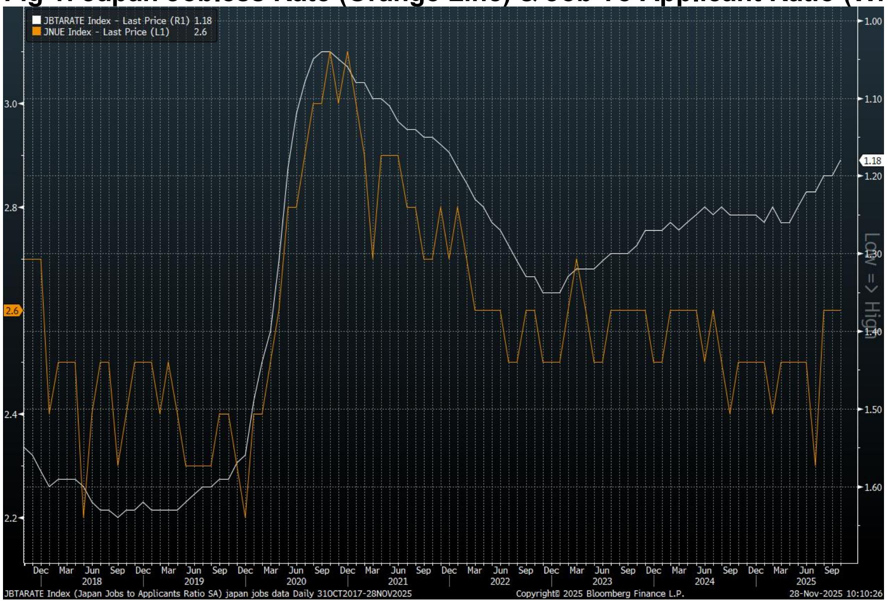
Source: Bloomberg Finance L.P./MNI

JAPAN DATA Job-To-Applicant Ratio Downtrend Continues, Risking Higher U/E Rates:

Japan Oct jobless rate and job to applicant ratio figures were weaker than expected. The unemployment rate held steady at 2.6%, against a market forecast of 2.5%. The job to applicant ratio ticked down further to 1.18, versus

1.20 forecast (which was also the Sep outcome),The chart below plots this ratio, which is the white line on the chart (also inverted) against the unemployment rate. The continued trend decline in the job-to-applicant ratio points to further upside in the unemployment rate, all else equal. This will be a watch point for the authorities, given on-going focus around positive real wage gains and the importance of this in sustainably reaching the 2% inflation target. it will be hoped the government's stimulus package gives the economic a boost as we progress into 2026.

Fig 1: Japan Jobless Rate (Orange Line) & Job To Applicant Ratio (White Line, Inverted)



Source: Bloomberg Finance L.P./MNI

JAPAN DATA: Local Investors Buy Offshore Bonds/Equities, Japan Inflows Stall:

Japan outbound flows into offshore stocks and bonds were positive last week. For purchases of offshore stocks this was the second consecutive positive week, but it only offsets a small proportion of the net outflows seen since mid Sep (still close to 2.5trln in net selling over that period). On the bond side, it is the third straight week of net buying, but cumulative inflows are fairly flat for recent months (after a surge in net purchases late Aug, early Sep). Global bond returns are tracking higher, but remain sub 2025 highs from an index standpoint.

* In terms of net flows into Japan assets, we were negative last week. Volatility in global equities (particularly on the tech side) has been evident for Japan bourses, although we are higher in the past week.
* On the bond side, the surge in local yields, particularly towards the back end of the curve, amid on fiscal concerns, may have tempered offshore interest last week. Sentiment is better this week, but will remain a watch point for investors into 2026, with expected higher issuance in the 2-5yr JGB tenors.

Table 1: Japan Weekly Offshore Investment Flows

Billion Yen	Week ending Nov 21	Prior Week
Foreign Buying Japan Stocks	-348.7	1021
Foreign Buying Japan Bonds	-277.3	961.9
Japan Buying Foreign Bonds	576.5	354.2
Japan Buying Foreign Stocks	276.9	183.3

Source: Bloomberg Finance L.P./MNI

AUSTRALIA

AUSTRALIA DATA: Core & Services Inflation Pick Up, RBA On Hold

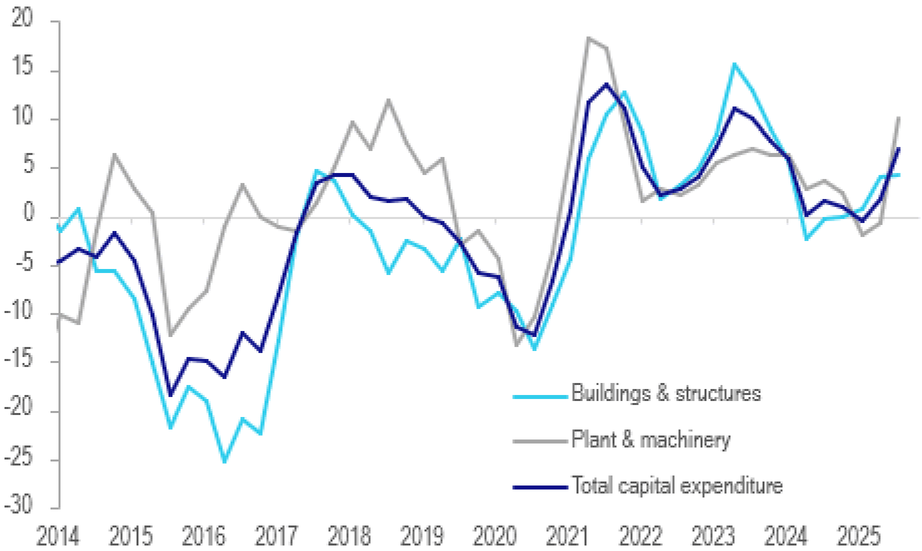
Both the new headline and trimmed mean monthly CPI annual inflation measures saw an increase in October from September. Services also rose which is likely to worry the RBA. On the face of it, the data signal that the RBA is on hold for an extended period but both it and the ABS have said that it will take time to assess the trends in the new monthly data and for seasonal factors to emerge. Governor Bullock has said until then it will focus on quarterly CPIs. Q4 is released 28 January.

- Trimmed mean CPI rose 3.3% y/y in October up from 3.2% in September (the partial CPI was 2.8%).
- Services rose 3.9% y/y up from 3.5%, which may be signalling more inflation persistence. It was driven by a 4.2% y/y rise in rents, 5.1% y/y in medical and 7.1% y/y in holiday travel & accommodation.
- Headline CPI was up 3.8% y/y after 3.6% in September (previous September +3.5%). The series continues to be impacted by the timing of government electricity rebates which drove electricity up 37.1% y/y after 33.9%. This increased the housing component to 5.9% y/y from 5.7% and overall goods inflation to 3.8% y/y from 3.7%.
- Food and eating out costs continued to run above 3.0% with the latter impacted by higher labour costs.

AUSTRALIA DATA: Very Strong Private Capex To Support Q3 GDP Print

Q3 private capex volumes soared 6.4% q/q, the fastest since Q1 2012, and is setting up the 3 December GDP release for a solid increase at this stage. Inventory data is out 1 December and the net export and public demand contributions on 2 December. The jump in investment in the quarter was across both building and plant & machinery and was driven by a 11.5% q/q jump in the latter from spending on aircraft but also data centres. Annual growth rates are showing an investment recovery is currently taking place.

Australia real capital expenditure y/y%



Source: MNI - Market News/ABS

- The increase in plant & machinery expenditure was the highest in almost 21 years. Similar growth rates have contributed around 0.3pp to GDP that quarter.
- Non-mining plant & machinery expenditure rose 13% q/q and mining +4.5% q/q. Investment in data centres was seen in the 40.7% q/q increase in information media & telecoms investment. The risk now is that there is payback for such a large jump in the subsequent quarters.
- Private investment in buildings rose 2.1% q/q, the fastest since Q2 2023, to be up 4.3% y/y. This could contribute around another 0.2pp. Non-mining was up 3.6% q/q while mining fell 0.4% q/q.
- Total Q3 capex was concentrated in non-mining (+8.6% q/q) with mining lagging (+0.9% q/q).

- Estimated capex for 2025-26 was revised 9.4% higher.

NEW ZEALAND

RBNZ: MNI RBNZ Review-Nov 2025: On Hold If Progress As Expected

- Download Full Report Here
- The MPC voted 5-1 to cut rates 25bp to 2.25%, as was widely expected. The discussion was between a hold or 25bp of easing with no consideration for another 50bp cut. The dissenter voted to hold policy.
- The updated OCR projections showed Q1 at 2.25% and there is only one meeting in the quarter (18 February). Then Q2 is 2.20% and Q3 2.23%, suggesting that if the economy develops as expected then the RBNZ is now on hold.
- The profile helps the MPC to keep its optionality though with outgoing Governor Hawkesby noting that the 2.20% OCR projection signals an easing bias.
- Compared with levels prior to yesterday's RBNZ decision, pricing is 7-17bps higher across meetings, again led by late-2026 contracts. Notably, September 2026 now assigns a 25bps hike a 21% probability.

NEW ZEALAND: Strong Retail Spending Consistent With RBNZ Pause

Q3 retail sales volumes were significantly stronger than expected and rose for the fourth consecutive quarter. They were up 1.9% q/q to 4.5% y/y, the fastest pace since Q4 2021 and consistent with the RBNZ on hold for now as signalled by its revised November OCR path. Governor Hawkesby said in the decision press conference that there were signs easing was supporting consumption and this data is in line with that sentiment.

- Sales values rose 1.7% q/q to be up 5% y/y after 2.5% y/y.
- 8 of the 15 retail sectors posted an increase in volumes in Q3 with motor vehicles and electronics driving the quarterly increase. The rise was also broad-based across regions.
- ANZ consumer confidence for November prints Friday. It has remained weak despite significant monetary easing.

NZ retail sales y/y%

Source: MNI - Market News/LSEG

NEW ZEALAND: Business Survey Signals Stronger H2 Growth & Lower Q4 Inflation

The ANZ November business survey is consistent with RBNZ's Hawkesby's comment following Wednesday's rate cut that the recovery "is happening right now through Q3 and Q4". It is a piece of high frequency data consistent with rates staying at 2.25% for now. Businesses are their most positive since 2014. Activity compared to a year ago, a good indicator for GDP, rose to 21.3 from 4.6 with ANZ saying that only construction remains negative. Thus it appears that growth recovered further in Q4.

- ANZ notes that while the economy is coming off a low base, “something has clearly changed”.
- Q4 averages suggest that GDP growth should recover and inflation turn lower again.
- Business confidence rose to 67.1 in November from 58.1, the highest since March 2014.
- The activity outlook picked up to 53.1 from 44.6, also the highest since Q1 2014. Export and employment intentions both rose in November but investment fell almost 2 points.
- Hiring compared to a year ago rose to -2.4 from -10.0 driven by services up 6 points to +7. Another sign the labour market has turned.

NZ ANZ business activity outlook vs employment intentions

Source: MNI - Market News/LSEG

- Hawkesby was asked at yesterday’s press conference about sluggish investment and he said that businesses need to be confident in the durability of the recovery and not just see lower lending rates before investing. The improvement in business confidence and profit expectations should help drive a pickup in capex but likely with a lag. When they do invest, credit conditions won’t be a constraint with “ease of credit” at its highest since 2009.
- Inflation expectations remained steady around 2.7% but pricing intentions rose to 50.5 from 43.9 with the increase 3-mths out rising 0.3pp to 1.9%. Cost expectations were lower though and wage expectations steady.

NZ inflation outlook %

Source: MNI - Market News/LSEG

NEW ZEALAND: RBNZ Model Pointing To Positive Q3/Q4 Growth, But Modest Y/Y Pace:

The RBNZ nowcaster for Q3 and Q4 GDP has ticked higher this week. For Q3 it sits at 0.79%q/q, which is the highest estimate for the quarter (since the nowcaster started back on Jun 20). The biggest contributor this week has been the retail sales print. Recall that Q2 growth fell by -0.9%. We get the Q3 update on Dec 18. The Q4 estimate rose to 0.47%, from 0.40% the week prior. The biggest contributor to the Q4 rise estimate was this week's survey data (with both the ANZ business and consumer sentiment readings posting solid gains).

* If such outcomes are realized it would push NZD GDP y/y growth to just above 1.2% for both Q3 and Q4 of this year. This would have us back around the pace seen in late 2023/early 2024. The Q2 outcome was -0.6%y/y.
* This is still below longer run averages for y/y growth, which are closer to 2.5-2.6%.
* Our policy team noted yesterday: "Risks to the Reserve Bank of New Zealand's 2.25% Official Cash Rate remain balanced, with policy likely to stay on hold for the foreseeable future and a hike in the near term highly unlikely, Chief Economist Paul Conway told MNI, emphasising that the RBNZ retains full flexibility to adjust rates in either direction depending on economic developments."

New Zealand Data: ANZ Consumer Sentiment Bounces, Capping Off Strong NZ Data Week :

The Nov ANZ consumer sentiment index bounced 6.5%m/m, to 98.4. This puts the index just short of 2025 highs, although we aren't above the 100.0 level yet. The chart below plots the sentiment reading against private consumption growth in NZ (q/q). The sentiment backdrop is suggesting modestly positive growth, although its likely we need further higher readings to point to accelerating momentum in consumption. It does cap off a solid recent run of NZ data this week, with retail sales volumes up in Q3 and yesterday's ANZ business activity/confidence readings surged to multi year highs.

* In terms of the detail for today's sentiment read, buy a major household item was -9, an improvement from -14 in Oct. Family finances for the year ahead rose to 21 from 9. The economic outlook also improved for 1yr and 5yrs ahead.

Fig 1: ANZ New Zealand Consumer Confidence & Consumption Growth

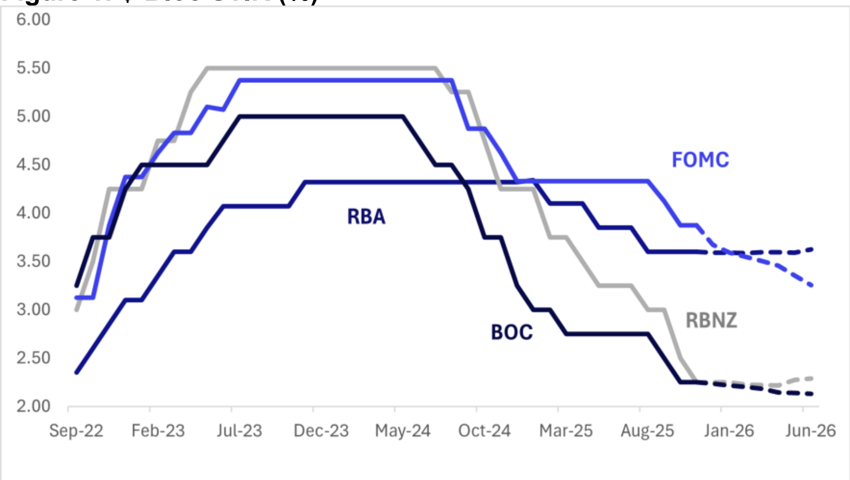
Source: ANZ/Bloomberg Finance L.P/MNI

SHORT-TERM RATES: $-Bloc Pricing Out To Jun-26 Sharply Firmer in NZ & AU Over The Past Week:

Interest rate expectations across the $-bloc moved sharply over the past week, with New Zealand (+21bps) and Australia (+14bps) firming notably, while the US and Canada both softened by around 5bps.

* The main event was Wednesday's RBNZ policy decision, where the MPC voted 5-1 to cut the OCR by 25bps to 2.25%, as widely expected. The debate was between a hold or a 25bp cut, with no discussion of a larger move; the lone dissenter preferred to hold. Updated projections showed the OCR at 2.25% in Q1 (with only one meeting in the quarter on 18 February), then 2.20% in Q2 and 2.23% in Q3, implying the RBNZ is effectively on hold if the economy evolves as expected. The profile maintains optionality, and outgoing Governor Hawkesby emphasised that the 2.20% projection reflects an easing bias.
* In Australia, the new complete monthly CPI rose 3.8% y/y in October, above expectations, following September's partial CPI of 3.5%. The trimmed mean came in at 3.3% y/y, also above consensus and September's 2.8%. This is the first time since Q4 2024 that underlying inflation has exceeded the RBA's 2-3% target band.
* The next key regional events are the RBA meeting on 9 December, followed by the FOMC and BoC on 10 December. RBA-dated OIS pricing assigns a 0% probability to a 25bp cut in December but now gives a 48% probability to a 25bp easing by December 2026. The market assigns just a 2% chance of a cut by the BoC, while the US market is 90% priced for a 25bp cut in December.
* Looking ahead to June 2026, current market-implied policy rates expected are as follows: US (FOMC): 3.26%, -62bps; Canada (BOC): 2.13%, -12bp; Australia (RBA): 3.63%, +3bps; and New Zealand (RBNZ): 2.30%, +5bps.

Figure 1: $-Bloc STIR (%)



Source: Bloomberg Finance LP / MNI

CHINA

CHINA DATA: Industrial Profits Moderate, Trade War Impacts Remain

- Unsurprisingly Industrial Profits in China slipped in October with the YoY number negative and the YTD result below September.
- Industrial output had lifted in September ahead of the planned Xi Trump meeting as producers increased output. Industrial Production then moderated in the October release.
- The August and September Industrial Profit results saw profit growth both in excess of 20%, the best consecutive month result since mid-2021.
- Industrial profit releases tend to be volatile and with the added layer of trade war uncertainty the decline of -5.5% looks at this stage like a correction rather than a change in direction and any changes to monetary policy will likely remain on hold until the new year.
- Year to data moderated to +1.9% from +3.2%, ahead of the negative three year average.

source: Bloomberg Finance LP / MNI

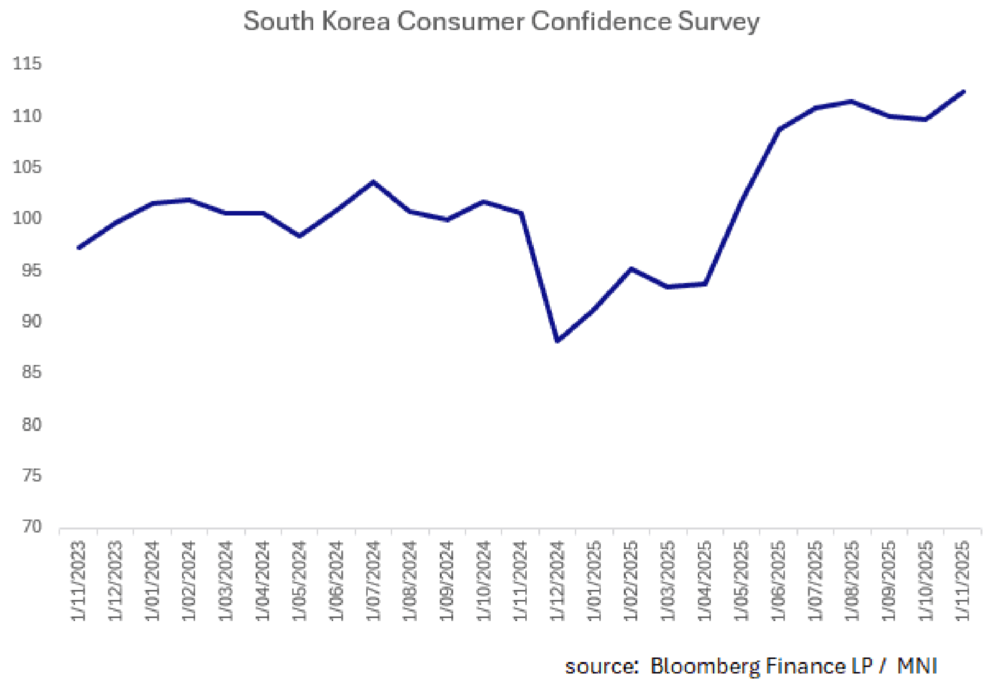
SOUTH KOREA

SOUTH KOREA: KRW Swaps See No Cuts Over Next 12 Months

- As markets awaited the BOK governors press conference, focus on the forward-looking guidance from voting members. At the prior meeting, four members kept the door open to a rate cut. Today's meeting sees that down to three.
- Against a backdrop of a weaker won (which pushes up import costs) and persistent housing-market pressure, Rhee signaled that monetary easing is effectively paused for now — at least until more clarity emerges on currency and property-market stability.
- Governor Rhee was clear that "now is not the time to discuss rate hikes," before noting that 'it takes on average 12 months to move to hike from pause." That would be July 2026.
- The focus on Seoul property prices and CPI YoY at its highest since June 2024 has seen swap prices expecting the BOK to be on hold for some time with limited changes priced in over the next 12 months, as is now increasingly likely.
- Over the next 1, 2 and 3 months there was a cumulative 12bps of cuts priced in at the start of the week relative to levels at the October meeting, and today that is just 4bps, and over the next 12 months +8bps of increases (from +9bps earlier this week.)

SOUTH KOREA: Consumer Confidence Rises in November

- After two months of moderating, November Consumer Confidence release rebounded to new 5-Year highs.
- At 112.4 for November, over 2,000 households surveyed were comfortable with the current inflation expectations of 2.6%.
- The survey is not surprising given the performance of the KOSP over the month prior in the midst of a tech boom. The KOPSI had delivered +19% in October with key tech stocks hitting record levels.
- The surge in stocks in October and the finalization of a trade deal with the US were enough to make households turn more confident on the outlook.



ASIA

THAILAND: Large October Trade Deficit, Softer Exports Could Drive Easing

Thailand recorded its largest customs trade deficit at $3.44bn since January 2023 as import growth materially exceeded exports. September posted a surplus of $1.28bn. Shipments slowed in October to 5.7% y/y from 19% while imports were up 16.3% after 17.2%, higher than expected. The data can be volatile and the 3-month average of export growth was still up 10.2% y/y in October. Releases over the months amorninghead will be important to determine if shipments are slowing, which would be a concern for an economy struggling with sluggish growth and possibly drive further monetary easing.

- A sustained trade deficit may reduce some of the appreciation pressure on the baht, which both the central bank and government would like to see. The BIS THB NEER is up 1.0% m/m in November and USDTHB looked through the October trade data and is down 0.4% to 32.36 today.
- Thailand's Commerce Ministry said the pickup in October imports was driven by an increase in raw material and capex imports from China, while Thailand's exports to China rose 9.3% y/y. China's shipments to Thailand rose 6.9% y/y in September but fell 3.3% y/y in October.
- Thailand is one of the most exposed countries in the region to the US with 20% of total 2024 exports worth around 11% of GDP going to there. It imposed 19% tariffs on Thailand in July which may be pressuring its exports as well as generally softer global demand following the increase in protectionism.
- The Bank of Thailand has cut rates 75bp this year to support lacklustre growth. It meets again on 17 December.

Thailand customs exports vs imports y/y% 3-mth moving average

Source: MNI - Market News/LSEG

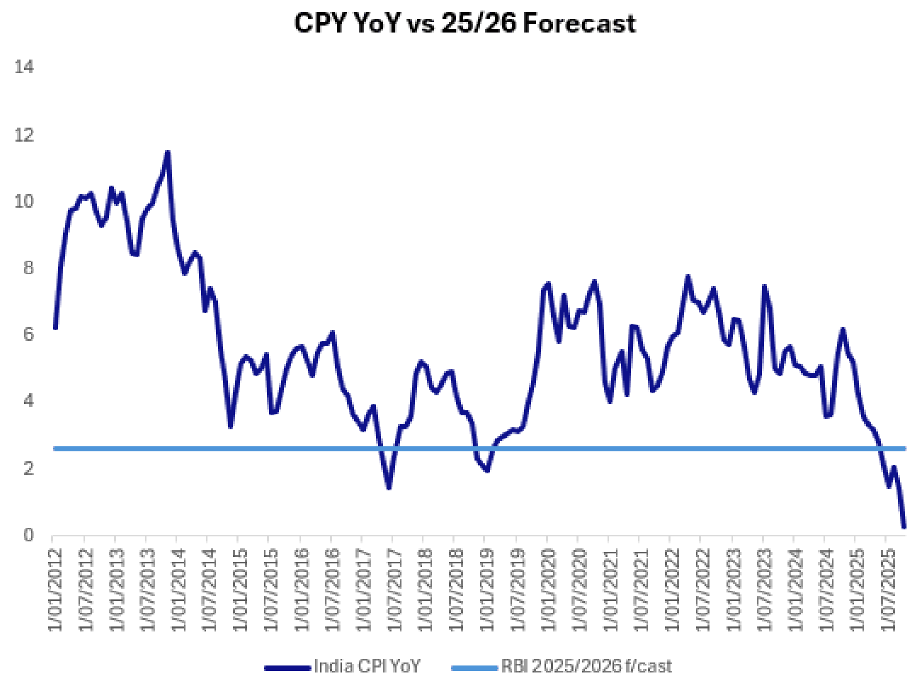
SINGAPORE: Inflation Stronger Than Forecast, Follows Recent 2025 Growth Upgrade

Singapore Oct CPI was stronger than forecast. The m/m outcome was flat against a -0.1% forecast, while the prior was +0.4%. In y/y terms, we rose 1.2%, against a 0.9% forecast and 0.7% prior. The core y/y rose 1.2%, above the 0.7% forecast and 0.4% Sep outcome. This is the higher core y/y print since the end of 2024. In m/m terms, the core print was up 0.5% after a 0.3% gain in Sep. This print adds, at the margin, to the case for the MAS to maintain current policy settings, although it doesn't meet again until towards the end of Jan 2026. Late last week the government upgraded the 2025 growth forecast to 4%, but still expects growth to slow into the 1-3% range in 2026.

- In terms of the detail, the strongest gains were from recreation and culture, up 1.3%m/m (after a 0.7% gain in Sep). Transport and health care also rose over 1.0%m/m. Drags came from housing (down 1.5%) and household durables and services.
- In y/y terms, household durables and communication are the only negative categories. Recreation and culture is back in positive territory.

INDIA: RBI's Malhotra Leaves Door Ajar for Rate Cut

- During Sanjay Malhotra's interview with Zee Business yesterday he noted that at the October meeting of the Reserve Bank of India Monetary Policy Committee the communication was clear that there was room to cut policy interest rates.
- He said that since then, the macro-economic data has not indicated that the room to lower rates has diminished.
- However, he emphasized that even though the room is there, whether a rate cut happens at the next meeting is up to the MPC.
- He pointed to the very low inflation — India's retail inflation fell to about 0.25 % in October — as a factor that gives the RBI space to consider easing.



source: Bloomberg Finance LP / MNI

- On the ongoing weakness of the Rupee. He said the recent depreciation of the Indian rupee is largely natural, aligning with inflation differentials, and that the RBI's focus is on containing excessive volatility rather than defending a particular exchange-rate level.
- He reiterated the RBI's dual mandate: to maintain price stability and support growth. He said the RBI will not be "aggressive on growth" nor "defensive" but will balance both.

ASIA EQUITY FLOWS: Taiwan Leads Inflow Rebound, Tax Headlines Weigh On Kospi Flows:

As the Nov trading month comes to an end, we have seen slightly better inflow momentum for tech sensitive plays South Korea and Taiwan. The last 3 trading days for Taiwan has seen almost $1.5bn in net offshore inflows. Still, this has only curbed Nov to date outflows to just over $10.5bn. As we enter into Dec, focus will be on broader equity trends (with the US Fed outlook an important driver), along with AI/chip demand into 2026. Local bellwether TSMC continues to recover from earlier Nov lows but remains off start of the month highs.

* For South Korea, we have seen close to $600mn in net inflows in the past 3 trading days. Interestingly today though is the contrast in Kospi and Kosdaq performance. The Kospi down 1.25%, but the Kosdaq up over 3.2%. This followed earlier reports via the Korea Economic Daily: "South Korea will push for an expansion of income tax deductions for Kosdaq venture funds, which invest a significant portion of their capital in venture cos." Per the NBUY function, offshore investors have sold around -$722mn of Kospi shares today, but added $230mn to the Kosdaq. To the extent this drives Kosdaq versus Kospi outperformance we may see more outflows from the Kospi by offshore investors.
* Indian inflow momentum is back positive for the past 5 days, with chunky inflows on Wednesday. This leaves Nov to date net inflows marginally in positive territory. The Nifty has consolidated its break above 26000 in recent sessions.
* In SEA, Indonesian inflow momentum has been pared slightly into month end. However, we still sit at a reasonable +$791mn for Nov as a whole. The JCI has been an outperformer in recent months amid hopes the government's pro-growth agenda boosts equity sentiment.
* Other SEA markets have seen outflows In Nov.

Table 1: Asian Markets Net Equity Flows

	Yesterday	Past 5 Trading Days	2025 To Date
South Korea (USDmn)	46	-1956	-5279
Taiwan (USDmn)	687	-2407	-5692
India (USDmn)*	562	108	-15712
Indonesia (USDmn)	-17	119	-1734
Thailand (USDmn)	-27	-97	-3366
Malaysia (USDmn)	38	-91	-4543
Philippines (USDmn)	-17	-75	-660
Total (USDmn)	1272	-4398	-36985

* Data Up To Nov 26

Source: Bloomberg Finance L.P./MNI